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GTE Service Corporation
1850 M Street, N.W., Suite 1200
Washington, DC 20036
202 463-5200

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March 21, 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Washington, DC 20554

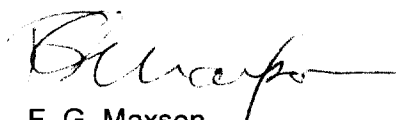
Re: Ex Parte - CC Docket No. 95-116 - Local Number Portability

Dear Mr. Caton:

At the request of Jason Karp, of the Policy and Program Planning Division of the Common Carrier Bureau, the attached material pertains to the cost of remote call forwarding and direct inward dialing.

Two copies of this notice are filed in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Sincerely,



F. G. Maxson
Director - Regulatory Affairs

Attachment

C: Jason Karp

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RCF & DID COSTS

Cost studies were prepared for RCF & DID in connection with GTE's ONA filing (Transmittal No. 989). Please refer to those studies, which were provided to John Scott or Raj Kannan in Tariffs. (Copies of the investment and cost data sheets for California are attached.) The following information supplements those data.

1.
 - a) Termination Costs or Equivalent - GTE has not performed LRIC cost studies for the FCC on this rate element, as it is subject to price cap regulation.
 - b) "Feature Activation Costs" per month (per attached summary sheets):
REMOTE CALL FORWARDING (RCF) = \$1.31 (California)
DIRECT INWARD DIALING (DID) = \$9.59 (California)
- key assumptions:
 1. Mix of Digital Technology
 2. Bellcore SCIS model was utilized
 3. Fully loaded labor rates were utilized
 4. Volume insensitive (fill factor) rate of 74.42% was utilized
 5. Final costs were determined by GTE costing model which incorporates industry standards for calculation of a monthly cost
 - c) Call reorigination costs: See 1a.
 - d) Transport costs: See 1a.
 - e) Tandem costs: See 1a.
 - f) Any other: N/A
2. Differences in inter and intra switchcosts: The Company has not undertaken cost studies for such elements, as they are subject to price cap regulation.
3. Since this was a pure LRIC study, administrative and customer-related costs were not included in the cost studies.
4. The Company has not identified any other Interim Number portability-related costs at this time.
5. Incremental costs do vary with the number of calls. For study purposes, GTE assumed 15 busy hour RCF calls per line and 100 busy hour DID calls/trunk.
6. See No. 5 for assumption on number of calls. The recovery period for "non-recurring costs", specifically engineering and investment, is 9.1 years.

If you have any questions, please call Tom Vogel at (214) 718-3312.

GTE TELEPHONE OPERATING COMPANIES
INVESTMENT AND COST DATA
SUMMARY

PAGE 1 OF 1

Service: ONA

Rate Element: REMOTE CALL FORWARDING

State: CALIFORNIA

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$0.00
2. Outside Plant Material	\$0.00
3. Central Office Equipment Material	\$52.88
4. Total Material Cost (1)+(2)+(3)	\$52.88
5. Circuit Equipment Net Salvage (Incl. Cost of Removal)	\$0.00
6. Outside Plant Net Salvage (Incl. Cost of Removal)	\$0.00
7. Central Office Equipment Net Salvage (Incl. Cost of Removal)	\$1.06
8. Net Material Cost (4)-(5)-(6)-(7)	\$51.82

II. Installation Cost

		LABOR HOURS	LABOR RATE
9. Circuit Equipment Engineering Labor	\$0.00	0.000	\$109.72
10. Outside Plant Engineering Labor	\$0.00	0.000	\$67.31
11. Central Office Equipment Engineering Labor	\$0.00	0.000	\$109.72
12. Total Engineering Labor (9)+(10)+(11)	\$0.00		
13. Circuit Equipment Installation Labor	\$0.00	0.000	\$38.26
14. Outside Plant Installation Labor	\$0.00	0.000	\$50.90
15. Central Office Equipment Installation Labor	\$0.00	0.000	\$38.26
16. Total Installation Labor (13)+(14)+(15)	\$0.00		
17. Total Installed Cost (4)+(12)+(16)	\$52.88		

III. Non-Reusable Cost

18. Engineering/Installation Labor Cost (12)-(16)	\$0.00
19. Cost of Removal Net of Salvage	(\$1.06)
20. Total Non-Reusable Cost (18)+(19)	(\$1.06)

IV. Net Investment

21. Total Net Investment (17)-(5)-(6)-(7)	\$51.82	% of Total Investment
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V. Total Annual Cost

22. Circuit Equipment Depreciation	\$0.00	0.00%
23. Outside Plant Depreciation	\$0.00	0.00%
24. Central Office Equipment Depreciation	\$5.69	10.77%
25. Return	\$3.55	6.71%
26. Federal and State Income Tax	\$1.19	2.25%
27. Maintenance	\$4.86	9.18%
28. Administration/Marketing	\$6.46	12.21%
29. Other Taxes	\$0.38	0.71%
30. Other	\$0.00	0.00%
31. Total Annual Cost (22)-(30)	\$22.12	41.84%

VI. Amounts to be Tariffed

		% Unit Cost/ Price	% Annual Unit Cost /Unit Investment
32. Proposed Non-Recurring Charge	\$0.00		
33. Credit for NRC	\$0.00		
34. Fully Allocated Monthly Cost (31)/12 - (33)	\$1.84		
35. Proposed Monthly Recurring Charge	\$1.84		
36. Unit Cost (34) - (28)/12	\$1.31	76.81%	29.62%

RETURN AND INCOME TAX CALCULATIONS (11.25% RATE OF RETURN)

RATE ELEMENT: REMOTE CALL FORWARDING
STATE: CALIFORNIA

Return

Components	Investment	Monthly Present Value Cost
-----	-----	-----
Circuit Equipment Material	\$0.00	\$0.00
Circuit Equipment Engineering	\$0.00	\$0.00
Circuit Equipment Installation	\$0.00	\$0.00
-----	-----	-----
Total Circuit Equipment	\$0.00	\$0.00
Less:		
Net Salvage Value	\$0.00	\$0.00
Monthly Circuit Equipment Capital Recovery x 12 Months		\$0.00 12
-----		-----
Annual Circuit Equipment Capital Recovery		\$0.00
Less:		
Annual Circuit Equipment Depreciation		\$0.00
Annual Circuit Equipment Return		\$0.00

Components	Investment	Monthly Present Value Cost
-----	-----	-----
Outside Plant Material	\$0.00	\$0.00
Outside Plant Engineering	\$0.00	\$0.00
Outside Plant Installation	\$0.00	\$0.00
-----	-----	-----
Total Outside Plant	\$0.00	\$0.00
Less:		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery x 12 Months		\$0.00 12
-----		-----
Annual Outside Plant Capital Recovery		\$0.00
Less:		
Annual Outside Plant Depreciation		\$0.00
Annual Outside Plant Return		\$0.00

RETURN AND INCOME TAX CALCULATIONS (11.25% RATE OF RETURN)

RATE ELEMENT: REMOTE CALL FORWARDING

STATE: CALIFORNIA

Return (contd.)

Components	Investment	Monthly Present Value Cost
Central Office Equip. Material	\$52.88	\$0.78
Central Office Equip. Engineering	\$0.00	\$0.00
Central Office Equip. Installation	\$0.00	\$0.00
Total Central Office Equip.	\$52.88	\$0.78
Less		
Net Salvage Value	\$1.06	\$0.01
Monthly Central Office Equip. Capital Recovery x 12 Months		\$0.77 12
Annual Central Office Equip. Capital Recovery		\$9.24
Less:		
Annual Central Office Equip. Depreciation		\$5.69
Annual Central Office Equip. Return		\$3.55
Circuit Equipment Return		\$0.00
Outside Plant Return		\$0.00
Central Office Equipment Return		\$3.55
Total Return		\$3.55

Federal and State Income Tax

Components	Investment	Factor	Monthly Present Value Cost
Total Circuit Equipment	\$0.00	0.000000	\$0.00
Total Outside Plant	\$0.00	0.000000	\$0.00
Total Central Office Equipment	\$52.88	0.001877	\$0.10
Total Monthly Federal and State Income Tax x 12 Months			\$0.10 12
Total Annual Federal and State Income Tax			\$1.19

GTE TELEPHONE OPERATING COMPANIES
INVESTMENT AND COST DATA
SUMMARY

PAGE 1 OF 1

Service: ORA

Rate Element: DID - TRUNK TERMINATION

State: CALIFORNIA

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$0.00
2. Outside Plant Material	\$0.00
3. Central Office Equipment Material	\$388.41
4. Total Material Cost (1)+(2)+(3)	\$388.41
5. Circuit Equipment Net Salvage (Incl. Cost of Removal)	\$0.00
6. Outside Plant Net Salvage (Incl. Cost of Removal)	\$0.00
7. Central Office Equipment Net Salvage (Incl. Cost of Removal)	\$7.77
8. Net Material Cost (4)-(5)-(6)-(7)	\$380.64

II. Installation Cost

		LABOR HOURS	LABOR RATE
9. Circuit Equipment Engineering Labor	\$0.00	0.000	\$109.72
10. Outside Plant Engineering Labor	\$0.00	0.000	\$67.31
11. Central Office Equipment Engineering Labor	\$0.00	0.000	\$109.72
12. Total Engineering Labor (9)+(10)+(11)	\$0.00		
13. Circuit Equipment Installation Labor	\$0.00	0.000	\$38.26
14. Outside Plant Installation Labor	\$0.00	0.000	\$50.90
15. Central Office Equipment Installation Labor	\$0.00	0.000	\$38.26
16. Total Installation Labor (13)+(14)+(15)	\$0.00		
17. Total Installed Cost (4)+(12)+(16)	\$388.41		

III. Non-Reusable Cost

18. Engineering/Installation Labor Cost (12)+(16)	\$0.00
19. Cost of Removal Net of Salvage	(\$7.77)
20. Total Non-Reusable Cost (18)+(19)	(\$7.77)

IV. Net Investment

21. Total Net Investment (17)-(5)-(6)-(7)	\$380.64	% of Total Investment
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V. Total Annual Cost

22. Circuit Equipment Depreciation	\$0.00	0.00%
23. Outside Plant Depreciation	\$0.00	0.00%
24. Central Office Equipment Depreciation	\$41.83	10.77%
25. Return	\$26.06	6.71%
26. Federal and State Income Tax	\$8.75	2.25%
27. Maintenance	\$35.57	9.18%
28. Administration/Marketing	\$47.44	12.21%
29. Other Taxes	\$2.76	0.71%
30. Other	\$0.00	0.00%
31. Total Annual Cost (22)-(30)	\$162.51	41.84%

VI. Amounts to be Tariffed

	% Unit Cost/ Price	% Annual Unit Cost /Unit Investment
32. Proposed Non-Recurring Charge	\$0.00	
33. Credit for NRC	\$0.00	
34. Fully Allocated Monthly Cost (31)/12 - (33)	\$13.54	
35. Proposed Monthly Recurring Charge	\$13.54	
36. Unit Cost (34) - (28)/12	\$9.59	70.81%
		29.62%

RETURN AND INCOME TAX CALCULATIONS (11.25% RATE OF RETURN)

RATE ELEMENT: DID - TRUNK TERMINATION

STATE: CALIFORNIA

Return

Components	Investment	Monthly Present Value Cost
-----	-----	-----
Circuit Equipment Material	\$0.00	\$0.00
Circuit Equipment Engineering	\$0.00	\$0.00
Circuit Equipment Installation	\$0.00	\$0.00
-----	-----	-----
Total Circuit Equipment	\$0.00	\$0.00
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Circuit Equipment Capital Recovery x 12 Months		\$0.00 12
-----		-----
Annual Circuit Equipment Capital Recovery		\$0.00
Less:		
Annual Circuit Equipment Depreciation		\$0.00
Annual Circuit Equipment Return		\$0.00

Components	Investment	Monthly Present Value Cost
-----	-----	-----
Outside Plant Material	\$0.00	\$0.00
Outside Plant Engineering	\$0.00	\$0.00
Outside Plant Installation	\$0.00	\$0.00
-----	-----	-----
Total Outside Plant	\$0.00	\$0.00
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery x 12 Months		\$0.00 12
-----		-----
Annual Outside Plant Capital Recovery		\$0.00
Less:		
Annual Outside Plant Depreciation		\$0.00
Annual Outside Plant Return		\$0.00

RETURN AND INCOME TAX CALCULATIONS (11.25% RATE OF RETURN)

RATE ELEMENT: DID - TRUNK TERMINATION

STATE: CALIFORNIA

Return (contd.)

Components	Investment	Monthly Present Value Cost
Central Office Equip. Material	\$388.41	\$5.70
Central Office Equip. Engineering	\$0.00	\$0.00
Central Office Equip. Installation	\$0.00	\$0.00
Total Central Office Equip.	\$388.41	\$5.70
Less		
Net Salvage Value	\$7.77	\$0.04
Monthly Central Office Equip. Capital Recovery x 12 Months		\$5.66 12
Annual Central Office Equip. Capital Recovery		\$67.88
Less:		
Annual Central Office Equip. Depreciation		\$41.83
Annual Central Office Equip. Return		\$26.06
Circuit Equipment Return		\$0.00
Outside Plant Return		\$0.00
Central Office Equipment Return		\$26.06
Total Return		\$26.06

Federal and State Income Tax

Components	Investment	Factor	Monthly Present Value Cost
Total Circuit Equipment	\$0.00	0.000000	\$0.00
Total Outside Plant	\$0.00	0.000000	\$0.00
Total Central Office Equipment	\$388.41	0.001877	\$0.73
Total Monthly Federal and State Income Tax x 12 Months			\$0.73 12
Total Annual Federal and State Income Tax			\$8.75